

Message Text

SECRET

PAGE 01 STATE 198366
ORIGIN SS-25

INFO OCT-01 ISO-00 SSO-00 /026 R

DRAFTED BY NEA:EGY:CAKENNEDY:JD

APPROVED BY NEA:NAV:LIOTES

S/S-O :SVALERGA

-----115556 052051Z /64

O R 052036Z AUG 78

FM SECSTATE WASHDC

TO AMCONSUL ALEXANDRIA IMMEDIATE

AMCONSUL JERUSALEM IMMEDIATE

INFO AMEMBASSY CAIRO

AMEMBASSY TEL AVIV

S E C R E T STATE 198366

EXDIS

E.O. 11652: GDS

TAGS: EAID EFIN PEPR EG US SA

SUBJECT: ARAB AID TO EGYPT

ALEXANDRIA FOR EILTS,JERUSALEM FOR SAUNDERS FROM VELIOTES

R : CAIRO 18396 (NOTAL)

1. FOR AMBASSADOR EILTS: WE HAVE BEEN DOING SOME THINKING
ON THE STATE OF OUR RELATIONS WITH THE SAUDIS. YOU MAY
WISH TO FIND OPPORTUNITY TO SPEAK WITH HAL SAUNDERS ABOUT
THIS ISSUE AND ITS IMPLICATIONS RE OUR EFFORTS TO DISCUSS
AID TO EGYPT MATTERS WITH THEM.

2. FOR ASSISTANT SECRETARY SAUNDERS: CAIRO REFTTEL DIS-
CUSSES IMPLICATIONS FOR EGYPT OF RECENT GODE-GOE MEETING
IN KUWAIT. EGYPTIAN MIN ECON HAS DESCRIBED HIS VISIT
WITH KUWAITIS AS 'DISCOURAGING. ARABS APPEAR UNWILLING
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TO PROVIDE EGYPT WITH SUFFICIENT FINANCIAL RESOURCES TO
COVER ESTIMATED NEEDS THIS YEAR OF ABOUT \$650 MILLION.
IDENTIFIED NEW ARAB AID FOR THIS YEAR (\$250-300 MILLION)
EAVES UNCOVERED GAP OF \$350-400 MILLION. IF CURRENT
EGYPTIAN IMPORT LEVELS ARE MAINTAINED, FINANCIAL SHORT
FALL COULD FORCE EGYPT INTO EXPENSIVE SHORT-TERM COMMERCIAL
BORROWINGS WITH EVENTUAL RECURRENCE OF FINANCIAL CRISIS

CYCLE. PARA 9 OF REFTTEL IS GOOD SUMMARY OF POSSIBLE
CONSEQUENCES. THERE IS HINT, HOWEVER, THAT SADAT EXPECTS

SAUDIS TO MAKE UP ANY FINANCIAL SHORT FALLS IN BILATERAL
ASSISTANCE.

3. REFTTEL BEING REPEATED TO JERUSALEM AND ALEXANDRIA.

CHRISTOPHER

SECRET

NNN

Message Attributes

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Capture Date: 01 jan 1994
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Concepts: ARABS, FOREIGN ASSISTANCE
Control Number: n/a
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Draft Date: 05 aug 1978
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Decaption Note: 25 YEAR REVIEW
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Disposition Approved on Date:
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Disposition Reason:
Disposition Remarks:
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ISecure: 1
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Message ID: ba771d68-c288-dd11-92da-001cc4696bcc
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Original Handling Restrictions: EXDIS
Original Previous Classification: n/a
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